

CHAPTER 1

INTRODUCTION

1-1. Use. The indexes presented in this manual are specifically designed for Civil Works construction, and are specific for each of the major Civil Works features. Only indexes for construction costs have been developed. The indexes are used to escalate or inflate various project cost features to current or future price levels in accordance with the above references. There are state adjustment factors included in this manual that allow a project estimated in one state to be adjusted to a project in another state.

1-2. Price Level Update Procedure. Before using cost indexes to update project costs, check to ensure there have been no changes in the project design, schedule, and Corps policy. The recommended procedure is to re-estimate project costs using current labor, equipment, and material rates at least every two years and use indexed values to escalate for inflation during the interim. Using index values to update project costs more than two consecutive years is not recommended.

1-3. Forecast Reliability. The user is cautioned that these index tables are made of historic indexes and simple projected indexes based on Office of Management and Budget (OMB) inflation factors. While the historic projections are reliable to update project costs, forecasting beyond two years may be unreliable.

1-4. Index Tables and Examples. An explanation of each index table and an example of how to use the indexes are included in the Appendix.

1-5. Updated index tables. The cost index tables will be updated twice each year in March and September. The updated cost index tables will be available on the Internet at <http://www.nww.usace.army.mil/cost>. The complete text with updated cost index tables will be available on the Internet at the HQUSACE documents homepage at <http://www.usace.army.mil/inet/usace-docs/eng-manuals/em1110-2-1304/toc.htm>. Both of these documents are in Portable Document Format (PDF).

1-6. Assistance. If assistance is required in understanding the methodology, or in obtaining updates of the cost index tables, contact the Chief, Cost Engineering Branch, CENWW-ED-C, U.S. Army Corps of Engineers, Walla Walla District, phone (509) 527-7510.